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16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA

18 KAROL WESTERN CORP., a  
19 California Corporation

20 Plaintiff,

21 v.

22 SMITH NEWS COMPANY, INC. a  
23 California corporation d/b/a SMITH  
24 NOVELTY COMPANY

25 Defendant.

CASE NO. CV12-7695 BRO (VBKx)

PLAINTIFF'S MOTION IN LIMINE  
NO. 1: TO EXCLUDE  
DEFENDANT'S "INDEPENDENT  
CREATION" DEFENSE;  
DECLARATION NO. 1 OF BRUCE  
L. ISHIMATSU IN SUPPORT  
HEREOF

Hearing Date: March 3, 2014  
Time: 1:30 p.m.  
Dept.: Courtroom 14  
Trial Date: March 25, 2014

1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE THAT ON MARCH 3, 2014 at 1:30 p.m. or as  
3 soon thereafter as counsel can be heard in Courtroom No. 14 before the Honorable  
4 Beverly Reid O’Connell, located at 312 North Spring Street, Los Angeles, California  
5 90012, plaintiff Karol Western Corporation (“Plaintiff”) will move the court *in*  
6 *limine* for an order prohibiting defendant Smith News Company, Inc. d/b/a Smith  
7 Novelty Company (“Defendant”) from introducing any evidence of, or arguing or  
8 otherwise suggesting, an “independent creation” defense to Plaintiff’s claim of  
9 copyright infringement.

10 This Motion is based on the grounds that (i) Defendant’s failure to assert an  
11 independent creation defense in its answers to Plaintiff’s original and amended  
12 complaints precludes it from presenting the defense or any evidence of such a  
13 defense at trial pursuant to F.R.C.P. Rule 16 and Central District of California Local  
14 Rule 16-7.2 and Appendix “A”; (ii) new admissions obtained after this Court’s  
15 August 23, 2013 Order on Plaintiff’s motion for partial summary judgment  
16 demonstrates that as a matter of law Defendant cannot establish an independent  
17 creation defense; and (ii) this Court’s determination in the August 23 Order that that  
18 there is no genuine issue of fact that Plaintiff’s design and Defendant’s design are  
19 “strikingly similar” operates as a matter of law to preclude an “independent  
20 creation” defense.

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1       The Motion will be based on this Notice, on the accompanying Memorandum  
2 of Points and Authorities, Declaration No. 1 of Bruce L. Ishimatsu in Support of  
3 Plaintiff's Motion in Limine No. 1 and on all pleadings and records already on file in  
4 this action and on such oral argument as the Court may permit at the hearing on the  
5 Motion.

6  
7 Dated: January 31, 2014.

BRUNSTEN & ASSOCIATES  
ISHIMATSU LAW GROUP, P.C.

8  
9 By Donald J. Brunsten

Donald J. Brunsten

Attorneys for Plaintiff

KAROL WESTERN CORP.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I.**

**INTRODUCTION**

In opposition to Plaintiff's earlier summary judgment motion, Defendant asserted an unpleaded affirmative defense of "independent creation," based solely on the declaration of Enrico Urbiztondo, one of Defendant's staff artists. Mr. Urbiztondo claims he never personally saw the Shanghai Diamond, despite the now-admitted prior actual viewing of the Shanghai Diamond by Defendant's president Ken Glaser and other Smith Novelty employees.

The Court allowed in its August 23 Order that a genuine controversy existed as to "independent creation." However, under F.R.C.P. Rule 16, as implemented in C.D. Cal. Local Rules, Rule 16 and Appendix A, Defendant's failure to plead the affirmative defense of "independent creation" in any of its Answers in this action constitutes a waiver of the defense.

Moreover, an "independent creation" defense is legally negated by this Court's express finding in the August 23 Order that the Shanghai Diamond and Accused Work are "strikingly similar." "Striking similarity" legally means the two works are so close in overall appearance and expressive detail that the inference of copying becomes inescapable.

Finally, new admissions establish a fatal factual defect in an "independent creation" defense: It is now admitted, through deposition, that the material, overall design choices found in the Accused Work, particularly the visual effects of rendering a representation of the Las Vegas Sign through a die cut into glitter fabric and incorporating the underlying reflective metal substrate – indeed, the commercially significant combination of choices forming the basis for Plaintiff's

copyright infringement claim -- were selected and mandated by Mr. Urbiztondo's boss and the Defendant's president, Mr. Glaser. Moreover, Mr. Glaser has now admitted that he was familiar with the successful Shanghai Diamond design many months before he selected the specific combination of design elements for the Accused Work. Mr. Glaser also admits to approving the final overall design of the Accused Work for the Defendant after Mr. Urbiztondo had performed his one task, an ink-drawing, and before Defendant told its manufacturer to begin production of the flasks and tumblers. So whatever minor "creative" choices Mr. Urbiztondo might have contributed, Mr. Glaser, with full knowledge of the Shanghai Diamond's appearance and success in the same stores where Defendant sells its products, blessed the Accused Work before it was sent to manufacture.

Accordingly, it is respectfully submitted that it is now necessary, fair, and in the interest of trial efficiency for the Court to remove the canard of "independent creation" from consideration by the jury.

## II.

### **DEFENDANT IS PRECLUDED FROM OFFERING EVIDENCE OF ITS "INDEPENDENT CREATION" DEFENSE AT TRIAL**

Appendix "A" to this Court's Local Rules sets forth the proper formatting and content for parties' Final Pretrial Conference orders and provides in pertinent part:

"7. This section of the Final Pretrial Conference Order is intended to finalize, in advance of trial, the claims and defenses to be presented at trial. *In accordance with F.R.Civ.P. 16(c), parties will be precluded from presenting . . . defenses not set forth in this order*, in the manner required by this order, unless the order is modified to prevent manifest injustice. *Only . . . defenses contained in the . . . answer and any court*

1 ***authorized amendment or supplement may be included in this***  
 2 ***Final Pretrial Conference Order.***” [Emphasis supplied.]

3 Defendant plans to pursue the following counterclaims and  
 4 affirmative defenses: [Insofar as defenses are concerned,  
 5 Defendant should identify only affirmative defenses, which are  
 6 those matters on which the Defendant bears the burden of  
 7 proof. They are matters which would defeat Plaintiff’s claim  
 8 even if Plaintiff established the elements of the claim.  
 9 Examples of such affirmative defenses –which must have been  
 10 pleaded in Defendant’s Answer –appear in F.R.Civ.P. 8(c)].

11 It is undeniable that Defendant bears the burden of proof to establish its newly  
 12 found “independent creation” defense and that burden is substantial. [*Transgo, Inc.*  
 13 *v. Ajac Transmission Parts Corp.*, 768 F.2d 1001 (9<sup>th</sup> Cir. 1985), cert. denied, 474  
 14 U.S. 1059 (1986); *Gund, Inc. v. Russ Berrie and Co., Inc.*, 701 F. Supp. 1013, 1025  
 15 (S.D.N.Y. 1988) (defendant’s evidentiary standard in making a *prima facie* case of  
 16 independent creation is “strong, convincing and persuasive” evidence). *Three Boys*  
 17 *Music Corp. v. Bolton*, 212 F.3d 477, 486 (9<sup>th</sup> Cir. 2000) (copyright plaintiff’s  
 18 establishment of access and substantial similarity raises presumption of copying and  
 19 shifts burden to defendant to rebut presumption with evidence of independent  
 20 creation).

21 Defendant failed to plead “independent creation” or *any* affirmative defenses  
 22 in its Answer filed in response to the original Complaint on November 5, 2012.  
 23 Plaintiff was later given leave to file an amended complaint in this action. Even  
 24 after the hearing on the summary judgment motions on July 29, 2013, Defendant  
 25 again failed to plead “independent creation” or *any* affirmative defenses in its  
 26 Answer to Plaintiff’s First Amended Complaint, filed on August 8, 2013. For the  
 27 additional reasons outlined below, “independent creation” has always been a non-  
 28 starter legally and factually. Clearly, by the time Defendant had filed its Answer to

1 the First Amended Complaint, Defendant had given up the ghost on “independent  
 2 creation” as a real issue in this case. Undoubtedly for the same reasons, this Court’s  
 3 August 23 Order on the summary judgment motion did not spur Defendant to seek  
 4 leave of court to amend its Answer.

### 5 **III.**

#### 6 **DEFENDANT CANNOT ESTABLISH AN** 7 **INDEPENDENT CREATION DEFENSE** 8 **AS A MATTER OF LAW**

9 In concluding there was a triable issue of fact regarding Defendant’s claim  
 10 that it independently created the Accused Work, this Court referenced assertions in  
 11 the sole piece of evidence Defendant offered in support of the claim – Mr.  
 12 Urbiztondo’s summary judgment declaration. Specifically, Urbiztondo asserted that  
 13 “In 2011, I was asked to prepare a graphical representation of the Las Vegas  
 14 Welcome Sign for use on a 7-inch tumbler and a 5-inch flask, both to be executed by  
 15 a die cut process.”

16 So the prior record already showed the Defendant’s key creative choices,  
 17 including use of glitter fabric and representation of the Las Vegas sign via a die cut  
 18 to expose the metal substrate, came from someone other than Mr. Urbiztondo.  
 19 After the summary judgment proceedings, the depositions of Mr. Glaser and Mr.  
 20 Urbiztondo elicited admissions filling in the rest of the story.

21 For example, the following exchange in Glaser’s deposition revealed why  
 22 Urbiztondo’s declaration omitted answers to these crucial questions while  
 23 simultaneously striking a fatal blow to Defendant’s so-called “independent creation”  
 24 defense:

25 “I’m going to have identified as Exhibit 2 a copy of what Karol  
 26 Western calls the “Shanghai diamond design” that it started  
 27 selling in September of 2009. It’s designed for a flask with a  
 28

1 glitter fabric, a die cut, and includes an interpretation or  
2 representation of the Las Vegas sign executed through that die  
3 cut.

4 I'm going to show Exhibit 2 to you. Is that –

5 [Objection omitted]

6 Q. Is Exhibit 2 familiar to you?

7 A. Yes.

8 Q. And, again, without reference to particular colors, be it  
9 purple or black or silver or any other color, *when was the first*  
10 *time you saw a sample of Exhibit 2?*

11 A. *I couldn't tell you the exact date, but it was before 2010*

12 Q. Before 2010. So in other words –

13 A. Yeah, it was before we –

14 Q. Before –

15 A. -- *before we came out with our flask.*”

16 [September 23, 2010 Deposition of Ken Glaser, Jr. (“Glaser  
17 Depo.”), p. 74, line 1 to p. 75, line 4 (Emphasis supplied)].<sup>1</sup>

18 Thus, not only did Glaser admit Defendant had access to the Protected Work  
19 but pinpointed that the access occurred before Defendant manufactured the Accused  
20 Work. Further undermining Urbiztondo’s claims about his “authorship” of the  
21 Work.

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<sup>1</sup> All pages cited in this Memorandum from the deposition testimony of Ken Glaser Jr. are collectively attached as Exhibit “A” to the accompanying Declaration No. 1 of Bruce L. Ishimatsu.



1 Accused Work, and Defendant's claim to have "independently created" the Accused  
2 Work were these revelations in Glaser's testimony:

3 ■ Glaser saw samples of the Protected Work before October, 2010 most  
4 likely during business trips to Las Vegas [Glaser Depo., p. 73, line 25 to p. 75, line  
5 13];

6 ■ Before October 2010, Defendant had never made or offered a design  
7 involving a die cut and glitter fabric as seen in the Protected Work [Glaser Depo., p.  
8 69, line 10 to p. 70, line 19];

9 ■ the people involved in the creative choice in October 2010 to do a  
10 design in glitter fabric were himself, Brett Rankin and possibly Barbara Skinner with  
11 no mention of Urbiztondo [Glaser Depo., p. 72, lines 17-24];

12 ■ Glaser is intimately involved in Defendant's product development,  
13 creating new products and working with the company's art department [Glaser  
14 Depo., p. 18, lines 12-16];

15 ■ Glaser came up with the creative choices for Defendant's products as  
16 part of a collaborative effort [Glaser Depo., p. 18, line 22 to p. 19, line 4];

17 ■ Glaser controls every design Defendant sells and has personally  
18 approved 95% of Defendant's designs [Glaser Depo., p. 26, line 23 to p. 27, line 18];  
19 and

20 ■ from beginning to end, Defendant's design of the Accused Work was a  
21 collaborative effort. Glaser Depo., p. 101, lines 9-11.

22 Similarly, Urbiztondo was forced to concede in deposition that (1) Glaser  
23 made suggestions to him about the choice of materials for particular designs  
24 [September 23, 2013 deposition of Enrico Urbiztondo ("Urbiztondo Depo."), p. 16,  
25  
26  
27  
28

lines 5-11]<sup>2</sup>; (2) Glaser would comment on, suggest changes to and ultimately have final approval on Urbiztondo's artwork for a particular design [Urbiztondo Depo., p. 19, lines 8-16]; (3) before September, 2009, Defendant had never manufactured any products that used in some way a die cut [Urbiztondo Depo., p. 22, lines 10-13]; (4) Glaser directed him to create a design for a flask with a die cut and using glitter fabric [Urbiztondo Depo., p. 24, line 18 to p. 25, line 13]; and (5) he first created the die cut design incorporating glitter fabric in November, 2011. Urbiztondo Depo., p. 28, line 6 to p. 29, line 5.

In Urbiztondo's Deposition, he established that Glaser would comment on, suggest changes to and ultimately have final approval on Urbiztondo's artwork for a particular design:

**p. 19, lines 8-16:**

8 Q. But I'm saying -- so Mr. Glaser, for example,  
9 might comment to you on a design that -- artwork that  
10 you've produced; correct?

11 A. Yes.

12 Q. And he might suggest changes of it?

13 A. Yes.

14 Q. Does he ultimately approve any artwork that goes  
15 out to be manufactured?

16 A. Yes.

**p. 24, line 18 to p. 25, line 14:**

18 Q. Okay. Now, Exhibit 1 again, explain to me how  
19 that -- what was told to you when you began to work on  
20 that, on the design for that flask?

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<sup>2</sup> All pages cited in this Memorandum from the deposition testimony of Enrico Urbiztondo are collectively attached as Exhibit "B" to the accompanying Declaration No. 1 of Bruce L. Ishimatsu.

1 21 A. Ken went up to me and asked me to create a  
22 design for Las Vegas.

2 23 Q. Okay. What else did he say?

3 24 A. He said to use our sign, to be placed on the  
4 25 flask.

5  
6 Further in his deposition, Urbiztondo testified that Glaser directed him to  
7 create a design for a flask with a die cut and using glitter fabric:

8 **p. 25, lines 1-14:**

9 1 Q. And did he tell you that he wanted it to be done  
10 2 as a die cut?

11 3 A. Yes.

12 4 Q. And did he tell you also he would like it to be  
13 5 done using glitter fabric as the material to be used  
14 6 around the flask?

15 7 A. Yes.

16 8 Q. So what he communicated to you was that there  
17 9 would be glitter fabric wrapped around the flask, you  
18 10 would create an image or use an image of the sign, and --  
19 11 so that it would be die cut and create the effect that's  
20 12 shown there in Exhibit 1?

21 13 A. Yeah. I think he said -- he mentioned to use my  
22 14 existing design to put on the flask.

23  
24 Thus, Defendant's witnesses admit that (1) Glaser saw the Shanghai  
25 Diamond; (2) Defendant had never previously designed or manufactured products  
26 with the same design elements present in the Shanghai Diamond (3) Mr. Urbiztondo,  
27 at Mr. Glaser's direction, only rendered a standardized, 2D black-ink on paper  
28 drawing that led to one minor element of the overall design of of the Accused  
Work, the contour and lettering of the representation of the Las Vegas Sign; (4) the  
prominent creative choices in the Accused Work – the combination of glitter fabric

1 and a die cut rendition of the Las Vegas Sign to create an effect of depth and  
2 illumination -- came from Mr. Glaser; and (5) none of these prominent features in  
3 the Accused Work existed in any of Defendant's designs prior to Mr. Glaser's  
4 viewing of the Shanghai Diamond..

5 Plaintiff respectfully submits that these new admissions render any  
6 "independent creation" defense by Defendant unavailable as a matter of law.  
7 Defendant's interest in focusing the jury's attention on what has now been revealed  
8 to be Urbiztondo's perfunctory and minor role in the design process of the Accused  
9 Work is part of a clear attempt to confuse the jury into believing the Plaintiff's work  
10 is only a line drawing of the Las Vegas Sign and does not include a highly specific,  
11 and unique, combination of visual ingredients seen in the work's best edition (i.e.,  
12 the flask).

13 Nor does Defendant's inclusion in the Accused Work of certain patterns it  
14 may have had on hand establish independent creation. While Urbiztondo may have  
15 made some use of existing designs as a pattern to create a new one-color line  
16 drawing of the ALVS, that does not explain the other creative choices Glaser and  
17 others made for the design such as rendering the sign abstractly and as a negative  
18 image, specific illumination and reflection effects as well as the use of a glittering  
19 purple color field. *See Gund, Inc. v. Russ Berrie and Co., Inc.*, 701 F. Supp. at 1023  
20 (in creating the accused work defendant's artist may have "made some use of  
21 patterns on hand," but such use "does not negate the extremely strong inference" that  
22 the plaintiff's work was copied.)

1 IV.

2 **THIS COURT’S PREVIOUS DETERMINATION THAT THE PROTECTED**  
 3 **WORK AND THE ACCUSED WORK ARE STRIKINGLY SIMILAR BARS**  
 4 **DEFENDANT’S INDEPENDENT CREATION DEFENSE**

5 In its earlier ruling on Plaintiff’s motion for partial summary judgment, this  
 6 Court determined that the Protected Work and the Accused Work were strikingly  
 7 similar. Plaintiff respectfully submits that this finding operates as a matter of law to  
 8 preclude Defendant from maintaining that it “independently created” the Accused  
 9 Work considering that the case law is clear that one cannot “independently create”  
 10 something that is strikingly similar to another party’s product to which access has  
 11 been established.

12 Here, the similarity is sufficiently striking to logically overwhelm the  
 13 possibility of “independent creation.” *Arrow Novelty Co., Inc. v. Enco National*  
 14 *Corp.*, 393 F.Supp. 157, 160 (S.D.N.Y. 1974), *aff’d*, 515 F.2<sup>nd</sup> 504 (2d Cir. 1975)  
 15 (“Defendant’s expression of the idea, i.e., the specific layout and design of the tray,  
 16 bears such a remarkable resemblance to plaintiff’s expression of the idea as to render  
 17 the inference of copying inescapable and the contention of independent creation  
 18 unbelievable.”) *La Resolana Architects, Pa v. Reno, Inc.*, 555 F.3d 1171, 1179  
 19 (10th Cir., 2009) (Striking similarity exists when “the proof of similarity in  
 20 appearance is `so striking that the possibilities of independent creation, coincidence  
 21 and prior common source are, as a practical matter, precluded.”)

V.

**CONCLUSION**

For all of the foregoing reasons, plaintiff Karol Western Corporation respectfully submits that this Motion in Limine be granted to preclude Defendant from attempting to introduce any testimony, evidence, argument or reference to “independent creation” at trial.

Dated: January 31, 2014.

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